



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

1595 Wynkoop Street
DENVER, CO 80202-1129
Phone 800-227-8917
<http://www.epa.gov/region08>

Ref: EPR-N

May 22, 2008

Mr. Brian Ferebee, Forest Supervisor
Uinta National Forest
P.O. Box 1428
Provo, Utah 84603

Re: Draft Environmental Impact Statement
Uinta National Forest Oil and Gas Leasing
CEQ #20080059

Dear Mr. Ferebee:

Consistent with our responsibilities and authorities under the National Environmental Policy Act (NEPA), and Section 309 of the Clean Air Act, the Region 8 office of the U.S. Environmental Protection Agency (EPA) has reviewed the Draft Environmental Impact Statement (EIS) for the U.S. Forest Service's (Forest Service) Uinta National Forest Oil and Gas Leasing. The Forest Service prepared this Draft EIS for the purpose of conducting an environmental analysis of Uinta National Forest lands with Federal mineral rights that could be made available for oil and gas leasing. The Uinta National Forest (UNF) includes approximately 897,400 acres of National Forest Service lands, of which the total leasable acreage under analysis is approximately 739,500 acres. The UNF is located in central Utah and is directly west to the city of Provo. While there are no designated federal Clean Air Act Class I areas close to the UNF, the UNF is in proximity to Clean Air Act non-attainment areas.

The Draft EIS evaluates three alternatives. Alternative 1, No Action, would provide continuation of leasing activities on approximately 197,000 acres of Uinta National Forest. Under Alternative 2, the Proposed Action, the total land available for leasing would include all Uinta National Forest lands except designated Wilderness Areas, the Strawberry Project, and split estate lands. Therefore, the total land available for leasing under Alternative 2 includes approximately 739,500 acres. Alternative 3, Modified Resource-Based Stipulations, would specifically exclude inventoried roadless areas from leasing and would make available for leasing a total of 224,550 acres.

Historically, oil and gas production in the Uinta National Forest has not been successful. No wells have been drilled on the UNF since 1997 and a single unapproved Application for Permit to Drill (APD) is the only APD currently on file for the entire UNF (Draft EIS, page 1-23). The Reasonably Foreseeable Development Scenario (RFDS) developed for the UNF considered current and historical oil and gas development, exploration information, and geologic data. Based on this information, the RFDS predicts 12 exploratory wells will be drilled within

the next 10-15 years. However, the Draft EIS notes that “rapid changes in the understanding of the petroleum geology of the region along with the new exploration occurring in the Central Utah Overthrust Belt to the south of the Uinta National Forest make it likely that advances in geologic understanding will render these RFDS obsolete within that 10-15 year period.” (Draft EIS, page xxii). “Future development cannot be ruled out.” (Draft EIS, page 4-42)

In our scoping comments dated May 29, 2006, EPA identified protection of air quality, water quality, and potential impacts to riparian and wetland areas as key concerns. We appreciate the Forest Service’s consideration of scoping comments in preparation of this document. EPA Region 8’s review of the Draft EIS focused on three primary areas: air quality, wetlands, and roadless areas. Our concerns are briefly highlighted in this letter with additional comments provided in the enclosed “Detailed Comments.”

Air Quality

In Resource Management Plans and Forest Plans that plan for significant oil and gas development, EPA maintains that air quality dispersion modeling should be conducted to assess the cumulative impacts of projected oil and gas wells and other activities on air quality values within and adjacent to the planning area. Rather than conduct dispersion modeling, the Forest Service presented an estimate of total emissions for select pollutants that would result from the proposed oil and gas exploration. While this method provides a means to compare the total predicted emissions of each alternative to a baseline year, it does not provide any indication of the potential for adverse impacts to the National Ambient Air Quality Standards (NAAQS), Air Quality Related Values (AQRVs), or the potential for impacts on nearby non-attainment areas. Without an air impact analysis, the potential air impacts resulting from the proposed 12 exploratory wells cannot be adequately determined.

With historical oil and gas production in the UNF unsuccessful and only 12 exploratory wells predicted in the next 10-15 year period, the Draft EIS arguably does not predict significant oil and gas development. In addition, there are no Clean Air Act Class I areas in close proximity to the UNF. The qualitative emissions comparison approach may be appropriate under these specific circumstances. However through conversations with the Forest Service, EPA understands and expects that a more detailed air impact analysis will be completed for inclusion in the EIS to verify that the anticipated air quality impacts are low.

With the rapid advancement of oil and gas technologies, EPA is also concerned that oil and gas development in the UNF may expand under categorical exclusions without the full analysis of potential air quality impacts and consideration of appropriate mitigation measures. EPA does not believe the air quality qualitative emissions comparison conducted in the Uinta Draft EIS is sufficient to provide the Forest Service with the information necessary to issue categorical exclusions while still being protective of air quality in central Utah. Any resource development projects that emerge outside of the 12 exploratory wells analyzed in this Draft EIS will require additional NEPA analysis and should fully assess and disclose direct, indirect, and cumulative impacts to air quality resources. This includes any development of oil and gas of the Covenant Field or the Central Utah Overthrust Belt on UNF lands.

Although EPA remains concerned about the potential impacts to air quality from categorical exclusions, we are encouraged that the Forest Service has voiced a commitment to conduct additional air dispersion modeling for significant projects in the future. The Forest Service has informed EPA that project-specific and cumulative air impact analysis will be conducted for future oil and gas exploration. The emissions inventory, where applicable, should include quantifiable emissions from all activities or sources: pad construction, drilling, well completion, hydraulic fracturing, production, wellhead abandonment, fugitive VOC/PM₁₀, and mobile source emissions. The mobile sources should include all traffic anticipated during the lifetime of the project, including support vehicles, condensate truck and diesel fuel tanker traffic. The air quality modeling analysis should evaluate criteria pollutants, prevention of significant deterioration (PSD), hazardous air pollutants and AQRV modeled impacts. The AQRV predictions should be made at all nearby Class I and Sensitive Class II areas described in Table 3-34 of the Draft EIS. The Forest Service, in coordination with the State of Utah Department of Environmental Quality, should ensure that the project meets the Utah Air Quality Regulations and that impacts from the project to the Utah non-attainment areas are minimized. It may also be appropriate for the Forest Service to identify mitigation options to further reduce the project's emissions.

Wetlands

EPA considers the protection, improvement, and restoration of wetlands and riparian areas to be a high priority. Executive Order 11990 – Protection of Wetlands (May 24, 1977) – directs all Federal Agencies in certain circumstances to provide leadership and take action to minimize the destruction, loss or degradation of wetlands, and to preserve and enhance the natural and beneficial values of wetlands. It should be noted that Executive Order 11990 is not limited to wetlands regulated under the Clean Water Act, but applies to all wetlands on federal lands. EPA recommends the Forest Service revise this section to reflect these concepts.

Inventoried Roadless Areas

Under the Proposed Action, over 554,000 acres of inventoried roadless areas would be made available for lease. In Table 2-3, the Comparison of Alternatives, no additional stipulations are identified under the Proposed Action for the Roadless/Inventoried Roadless Areas. While highly speculative given current technology and geologic information, the possibility exists that oil and gas leases made available in the roadless areas may be developed at a future date. As acknowledged in the Draft EIS, the U.S. District Court for Northern California issued a judgment reinstating the 2001 Roadless Area Conservation Rule (RACR) nationwide on February 6, 2007. The injunction states that the Forest Service is prohibited from approving any surface use of a mineral lease issued after January 12, 2001 that would violate the RACR if approval of the surface use occurs after May 13, 2005. EPA recommends the EIS clarify how leasing of 554,000 acres of inventoried roadless areas under the Proposed Action would be consistent with the reinstated RACR.

EPA's Rating

EPA has a responsibility to provide an independent review and evaluation of the potential environmental impacts and the adequacy of the analysis associated with this Draft EIS. As the preferred alternative was not identified in the DEIS, EPA is rating the DEIS based on the two action alternatives, the Proposed Action and Alternative 2. Based on the procedures EPA uses to evaluate the adequacy of the information and potential impacts, EPA is rating the Draft EIS as Environmental Concerns- Inadequate Information, "EC-2." "EC" signifies that EPA's review of this Draft EIS has identified environmental impacts that should be avoided in order to fully protect the environment. The rating of "2" indicates that the Draft EIS lacks sufficient information to fully assess environmental impacts that should be avoided in order to fully protect the environment. A full description of EPA's EIS rating system is enclosed.

If you have any questions regarding EPA's comments, please contact me at 303-312-6004 or Larry Kimmel, EIS project manager, at 303-312-6659.

Sincerely,

/signed/

Larry Svoboda
Director, NEPA Program
Office of Ecosystems Protection and Remediation

Enclosures

cc: Rick Sprott, UDEQ

**Detailed Comments by the Region 8 Environmental Protection Agency for the
Draft Environmental Impact Statement (EIS)
Uinta National Forest Oil and Gas Leasing
Utah**

Reasonably Foreseeable Development Scenario

Appendix B includes a reasonably foreseeable development (RFD) projection for lands that may be leased on the forest. According to the RFD analysis prepared by JBR, Inc., just 12 wildcat wells and no full field production wells are anticipated during the next decade. The RFD does include a reference to the successful oil discovery known as the Covenant Field producing from overthrust traps in the Navajo/Nugget Sandstone and Twin Lakes Formation limestones (Appendix B at page 32). As of early 2008, the Covenant Field produced a total of over 5 million barrels of oil. The RFD analysis in the Draft EIS explains that while these formations are likely present on the UNF, there is little known about the relationship of these formations and the necessary reservoir seals. Recent discoveries since the RFD analysis was prepared have added additional geologic understanding of these potential resources and thus should be considered. For example, this month the Wolverine Oil and Gas Corporation reported another potential oil field production discovery in the Arapien Valley near Mayfield, Utah, also in the Sevier Overthrust Belt. (See "Second discovery indicated in Central Utah thrust belt", Oil and Gas Journal, May 19, 2007.) According to the company, this overthrust belt may extend to the north and east from their Covenant Field into UNF lands including the Payson, Diamond Fork, and Deer Creek Groups. Consequently, EPA recommends the RFD analysis be updated to specifically include new geologic information based on the recent successful oil production in the Sevier Overthrust Belt. We recommend that the UNF work directly with the Utah Geological Survey and the US Geological Survey to assess the potential for additional oil production in these UNF Groups based on information that has become available since publication of the RFD in July 2007. We also suggest reconsideration of the time period for this RFD assessment for a longer time period since these potential future leases could be held by future owners for several decades.

Air Quality

1. Table 3-33 lists the primary/secondary 8-hour NAAQS for ozone as 75 ppb (147 $\mu\text{g}/\text{m}^3$). The 1 hour-ozone NAAQS is now only applicable for special ozone Early Action Compact areas. Please update this information in the EIS.
2. Table 3-35 presents ambient air monitoring summary data from several sites. This data was collected during 2005. EPA recommends this section be updated to include 2006 monitoring data and to also include SO_2 measurement data.
3. EPA also recommends updating Table 3-36 with 2007 measured data. EPA anticipates making ozone designations on data collected from 2006-2008 or 2007-2009 data sets. As the ozone standard has recently been reduced, the number of days of Air Quality index ratings will also change.

Wetlands

1. Page 3-67, Paragraph 2, last sentence: Please revise this sentence to read as follows: "... wetlands and floodplains occur on the UNF; however, a formal inventory of wetland resources across the UNF has not been conducted, and their jurisdictional status has not been determined."
2. For improved clarity, EPA recommends revising the last paragraph on page 3-67 by deleting the second sentence: "In order for a wetland to be jurisdictional, it must meet the vegetation, soils, and hydrology criteria outlined above."
3. Page 4-77, the last paragraph in the "Wetlands and Wet Meadows" section should be revised to consider all wetlands in the project area, not just the jurisdictional wetlands. We recommend inserting a sentence at the beginning of this last paragraph clarifying that, under all alternatives, impacts to wetlands should be avoided and minimized whenever possible, as provided in Executive Order 11990.

